

Feedback Form

Resource Adequacy – September 23, 2021

Feedback Provided by:

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To promote transparency, feedback submitted will be posted on the Resource Adequacy webpage unless otherwise requested by the sender.

Following the September 23, 2021 Resource Adequacy webinar, the Independent Electricity System Operator (IESO) is seeking feedback from stakeholders on the following discussed items. Background information related to these feedback requests can be found in the presentation, which can be accessed from the [engagement web page](#).

Please submit feedback to engagement@ieso.ca by October 14, 2021. If you wish to provide confidential feedback, please mark the document "Confidential". Otherwise, to promote transparency, feedback that is not marked "Confidential" will be posted on the engagement webpage.

Capacity Auction

Topic	Feedback
General comments and feedback on Next Steps and Timelines	Click or tap here to enter text.

HDR Baseline Methodology

Topic	Feedback
Is there additional segmentation or sensitivity analysis the IESO should consider?	Click or tap here to enter text.
Do stakeholders feel there is strong alignment between the results presented and the implications the IESO has identified?	Click or tap here to enter text.
Are there additional implications the IESO has not considered based on the preliminary results?	Click or tap here to enter text.
General comments and feedback	Click or tap here to enter text.

Medium-Term RFP

Topic	Feedback
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Contract Design Considerations	<ul style="list-style-type: none"> How were the non-performance factors derived on page 21 and 22. We understand the considerations for freshet, but we would like to see the logic behind the non-performance factors.
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Performance Obligations	Click or tap here to enter text.
What questions or feedback do you have on the Medium-Term RFP proposed design consideration on Rated Criteria	On page 25 of the Mandatory vs Rated criteria, the IESO states: "Operates as a merchant facility, but has previously been registered with the IESO as a Registered Facility under the Market Rules". It is our understanding that if you operate as a merchant facility then you have to be registered with the IESO. Is this referring to embedded generation? If so, perhaps this should be clarified.

Topic	Feedback
<p>What questions or feedback do you have regarding considerations for Uprates that may be eligible in the Medium-Term RFP</p>	<p>A more detailed definition of uprates and their qualification is required. As an example, how will the new uprate be differentiated from the existing contract - if a 20 MW hydroelectric station under an existing contract upgraded its runner to become a 24 MW station, how will the extra 4 MW be accounted for in the existing contract (energy based or capacity based or other)? Using a low water year scenario, what is the approach if the incremental allocation is based on energy? Additional detail is required on how to integrate uprates with existing contracts.</p>
<p>What questions or feedback do you have on the Medium-Term RFP UCAP approach</p>	<ul style="list-style-type: none"> • The proposed approach for dispatchable hydroelectric decreases the capacity available to the system and increases costs for the ratepayer as the IESO would need to procure additional capacity to reach their resource adequacy requirements to maintain a reliable system. • The current proposal for the UCAP calculation for dispatchable hydro reduces the overall recognized capacity contribution of hydroelectric units. This quantum for OPG is about 1000 MWs. An alternative approach would be to use offers or to use scheduled energy plus scheduled OR. • It is our understanding that the IESO is planning to align planning methodologies between forecast tools in the future. IESO uses the MARs (Multi-Area Reliability Simulation Software) model for the Supply Outlook, Transmission Limits and Demand Forecast for Resource Adequacy Assessments. Does the MARs model use UCAP for the Supply Outlook and if not is the plan to align these approaches?
<p>General comments and feedback</p>	<p>Click or tap here to enter text.</p>

General Comments/Feedback

- The bridging mechanism proposed for both the medium RFP and the Capacity Auction may be problematic and not financially advantageous for a contract owner to cancel a contract early. This could occur in the circumstance where the contract owner would not be able to recoup all of its costs in the Capacity Auction.
- The situation described in the bullet above may have consequences to grid reliability if the IESO is expecting certain resources coming off contract to continue to be available.
- The IESO might review their transition bridging considerations to accommodate the generators that are critical to the reliability of the system during the contract term being contemplated.
- More clarification is required on how the bridging is going to be conducted. For example, when would a supplier need to make a decision if a contract expires in August. What would transpire in the case where a contract expires on May 2 and the medium term RFP begins May 1. Please provide some examples of how bridging would work with different contract expiry dates.
- OPG recognizes that in order to fill the 1500 MW gap forecasted for 2026, the IESO is contemplating several strategies to fill the gap. This may not be sufficient. The IESO should also evaluate other approaches to mitigate the supply risk in 2026 some of which include:
 - Expand the Medium Term RFP to allow other resources to compete over and above the existing expiring contracts which amount to about 750MW on a UCAP basis.
 - Advance the 1000MW long term RFP forward to possibly Q1 of 2022 with an in-service date in 2024 instead of 2026 / 2027.
 - In order to address the transition with expiring contracts and the Long Term RFP the IESO should consider either extending existing contracts to the proposed in-service date for the Long Term RFP or blend and extend existing contracts. This may result in elimination of the first proposed Medium Term RFP.